



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JAY B. RISING  
STATE TREASURER

August 27, 2004

TO: **TREASURERS WITH INDUSTRIAL FACILITY TAX (IFT) CERTIFICATES**  
Act 198 P.A. 1974, as amended

RE: Instructions for the 2004 Industrial Facilities Tax (IFT) Report Forms  
**Form 3865; Voucher** is to be used by local treasurers when disbursing the state's share of the summer and winter 2004 IFT collection.  
**Form 170, IFT tax report** (due by July 31, 2005) is the full year's (summer and winter) accounting of the school operating, ISD special and/or vocational education plus debt and the State Education Tax (SET) for IFT certificates effective for the 2004 tax year. All documents for the required reporting of the IFT collection (tax report form, instruction letter, voucher, unpaid IFT's and Appendix 1 & 2) can be found on the Treasury web-site found on page 4. If you do not have inter-net access, please contact this office to arrange for this information by e-mail, computer disk, or hard copy. Please retain this letter for reference throughout the 2004 tax year.

**Payments remitted to the State of Michigan with Voucher; Form 3865 (revised 2004)**

Three vouchers have been provided for your use (see attached). **Submit one completed voucher with each check for the summer (winter) collection being disbursed to the State of Michigan** (see address below). Wire transfers lack sufficient documentation and therefore are not an acceptable form of payment at this time.

**Disbursement deadlines \*\*\*Revised for 2004\*\*\***

The disbursement is made at the same times and in the same proportions as required by law for the disbursement of taxes collected under the general property tax act, 1893 PA 206, MCL 211.43(3)(a). For the 2004 tax year, the State Education Tax (SET) is six (6) mills.

**CHECKS** Payable to: **STATE OF MICHIGAN**  
Mail to: **MICHIGAN DEPT. OF TREASURY**  
P.O. BOX 30471, LANSING, MI 48909-7971

**Form # 170, (revised 2004)**

Form # 170 (revised for all tax years, except 2003) is an eight-page report of the current IFT certificates on the IFT tax roll. (Form # 170 Large is now available for local units with more than 45 certificates per category.) Form # 170 is an annual summary of the State's portion of the IFT collection and is due by July 31, 2005. **Please submit a separate Form 170 for each specific school district.** This form will be the only format accepted, replacing all previous Form 170's and spreadsheets.

The new format is as follows:

- Identification page (identify tab) – enter general information in the blue cells.
- Step 1 – enter the **full** millage rates (specifically lines 1, 6, & 9) and the ISD percentage from Appendix 1 on line 7 in the blue cells.

- Step 2 – enter certificates, by category as follows:
  - category 1 - enter all IFT New, Pre 1994 certificates (issued prior to 1994)
  - category 2 – enter all IFT New, Post 1993 certificates (issued in 1994 and after)
  - category 3 – enter all IFT RehabilitationEach of the categories above has a box to check if the following is applicable
  - Board of Review or Michigan Tax Tribunal orders (if checked include official order)
  - Delinquencies (Step four calculates amount of delinquency)
  - Renaissance Zone (A formula removes taxable value from calculation)
  - For categories 2 and 3; State Education Tax six (6) mills (Enter full SET from certificate, the formula will automatically enter the SET on Step 3 for all lines pertaining to SET, including lines 9 & 10.

Step 3 – the spreadsheet contains formulas to compute the tax. If the form is manually generated, enter information on lines 9 and 10 only if you have a special SET abatement.

Step 4 – Lines 2-6, claim credits here for eligible authority captures (TIFA, LDFA, DDA from Form 2604 or 2967). Lines 11-15, (summer or winter) payments which have already been sent and any payment about to be made. Report the total interest or penalty (if applicable) included in your payments in the box provided. The spreadsheet will calculate the balance difference. (Form 170 also reports the amount outstanding due to delinquencies for State use.)

Form 170 may be used in the following manners:

**As a revised report for refunds/delinquent payments** The revised report would inform the State of corrections, involving but not limited to: Board of Review changes, and/or Michigan Tax Tribunal orders, etc that would result in additional payments/refunds of the IFT monies disbursed to the State. Please place an “R” along with the year’s date being modified on the identify page (e.g. R2004). Make the appropriate changes (certificate’s taxable value, millage rates, etc.) and reprint entire form for inclusion with cover letter to the address on page 1, in order to request a refund or make a delinquent payment.

**As a master list**, each year the treasurer could copy the previous year’s Form 170 (except 2003) and save as the current tax year. Making sure to change the tax year, applicable millage(s), delete or add certificate(s) for expired or newly approved, change the taxable value(s), authority capture (if applicable), and the listed payments.

Please follow the sample line provided on Form #170, Step 2, Category 1, 2 & 3, line 1, for reporting IFT certificates.

List all current IFT’s certificates

Please reference the IFT certificate numbers assigned by this office.

Mark the appropriate column for delinquent certificates

Mark the appropriate column for Board of Review or Michigan Tax Tribunal orders.

Fill out the complete form (including steps 1-4), print out a hard copy of the completed form, sign and submit the form to the State of Michigan, along with a disk or electronic generate a copy to the State (e.g. e-mail form as an attachment).

**NOTE: If the local school district or another entity is collecting the summer taxes, please forward a copy of this communication to the entity for their use in filing the tax monies collected with a voucher to the State of Michigan. The collection information should be forwarded to the local treasurer for inclusion on Form 170.**

**Delinquent IFT's:** Delinquent IFT tax bills are not turned over to the County, but are collected by treasurers who should immediately take the appropriate action (summer or winter) per Sections 12 & 13 of the Act 198, P.A. 1974, as amended, against a delinquent IFT certificate holder. The form titled *Unpaid IFT Bills*, is a sample of non-payment and release of non-payment letters to assist treasurers with delinquent collections. Interest or penalty collected for delinquent payments should be distributed as any other interest or penalty collected for the ad valorem roll. Please call our office for additional assistance.

**IFT Total Tax Calculations:**

**Rehabilitation** (This calculation is the same for certificates issued either before or after January 1, 1994)  
Current year IFT Tax = Frozen Taxable Value x current total ad valorem millage levied on non-homestead property. (Full county, local, community college, school (18 Mills), ISD and State Education tax (6 mills)).

**New Facility IFT certificates issued before January 1, 1994**

Current IFT Tax = Taxable Value x  $\frac{1}{2}$  current total ad valorem millage levied, minus K-12 (18 Mills) and minus the State Education Tax (6 mills) plus Taxable Value x  $\frac{1}{2}$  of the 1993 operating millage for K-12. (See appendix 2)

**New Facility IFT certificates issued after December 31, 1993**

Current IFT Tax = Taxable Value x  $\frac{1}{2}$  current total ad valorem millage levied, minus the State Education Tax (6 mills) plus Taxable Value x Portion of State Education Tax (6 mills) not exempted by the Michigan Economic Development Corporation (MEDC). The MEDC may make a determination to grant the company a reduction of the State Education Tax (SET) which is 6 mills. The exemption could exclude  $\frac{1}{2}$  (3 mills) or all (0 mills) of the 6 mills levied under SET. The amount of SET mills to be levied and remitted is the full amount (do not half for new facility certificate). The SET is displayed on each certificate issued after January 1, 1994.

Note: The State Education Tax has been reinstated for the 2004 IFT taxes to six (6) mills.

**Distribution of the IFT monies collected**

IFT Collection for distribution to the STATE OF MICHIGAN

School operating levy (excluding debt)

State Education Tax

State share of ISD mills – Special Education/debt and/or Vocational Education/debt

(See Appendix 1 to determine percent to utilize on Step 1, line 7)

IFT Collection for distribution to the SCHOOL DISTRICT

School Debt or Sinking Fund

IFT Collection for distribution to the INTERMEDIATE SCHOOL DISTRICT

ISD General operating levy

NOTE: ISD's which do not receive State Aid for Special Education and debt and or Vocational Education and debt receive those revenues directly - See appendix 1)

**The Treasury web site, on November 1, 2004, will contain the following documents:**

Form 170, Industrial Facilities Tax Report

Instruction letter for 2004 tax year

Voucher(s)

Appendix 1 (% ISD may retain)

Appendix 2 (1993 school operating mills)

Unpaid IFT bills

**Route to our website:** [www.michigan.gov/treasury](http://www.michigan.gov/treasury)

*Click on the following as they appear:*

Treasury page, (then scroll down to bottom left hand side)

Property Tax Forms (then scroll down)

Property Tax - Abatement/Exemption

3865, Industrial Facility Tax (VOUCHER) is on this page

All other forms click on [IFT Form 170 Supplemental Information](#)

The treasurer should retain this letter for use when disbursing the 2004 IFT tax collection. The program will be updated annually and placed on the web site. Treasurers without computer access should contact this office for a paper copy or a computer disk of the forms.

Should you require assistance, please contact Debby Abbruzzese at (517) 373-3302.

Sincerely



Dianne O. Wright, Manager  
Exemption Program Section

Enclosure